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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financial performance report for the period from 1 July 2009 to 30 June 2010 and proposed budget for the period from 1 July 2011 to 30 June 2012 of the United Nations Logistics Base at Brindisi

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2009/10	$57,954,100
Expenditure for 2009/10	$57,931,200
Unencumbered balance for 2009/10	$22,900
Appropriation for 2010/11	$68,170,600
Projected expenditure 2010/11[a]	$67,569,440
Estimated unencumbered balance for 2010/11	$601,160
Proposal submitted by the Secretary-General for 2011/12	$60,528,400
Recommendation of the Advisory Committee for 2011/12	$60,528,400

[a] Estimates as at 31 March 2011 (see annex I).

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I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends approval of the Secretary-General's proposals for the United Nations Logistics Base at Brindisi, Italy (UNLB) for the period from 1 July 2011 to 30 June 2012 (see A/65/760, sect. IV), and has made observations and recommendations where appropriate below.**

2. The general report of the Advisory Committee on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/65/743) contains its views and recommendations on a number of cross-cutting issues. In the present report, the Committee deals with resources and other items that relate specifically to UNLB.

3. In considering the Secretary-General's proposals for UNLB for the period from 1 July 2011 to 30 June 2012 (A/65/760), the Advisory Committee has taken into account the recommendations of the Board of Auditors related to the Base (see A/65/5 (Vol. II), chap. II). In addition, the report of the Advisory Committee on the Board's report on the United Nations peacekeeping operations is contained in document A/65/782. **The Advisory Committee reiterates the need for expeditious implementation of the relevant recommendations of the Board of Auditors (see para. 64 below).**

4. The documents reviewed and those used for background by the Advisory Committee in its consideration of the financing of UNLB are listed at the end of the present report.

5. A number of other reports of the Secretary-General currently before the General Assembly contain proposals related to UNLB, namely the reports on the support account for peacekeeping operations for 2011/12 (A/65/761) and on United Nations air operations (A/65/738), as well as the progress report on the implementation of the global field support strategy (A/65/643). The Advisory Committee's comments and recommendations on those proposals are contained in its related reports (A/65/743 and A/65/827).

II. Financial performance report for the period from 1 July 2009 to 30 June 2010

6. By its resolution 63/286, the General Assembly appropriated an amount of $57,954,100 gross ($54,145,500 net) for the maintenance of UNLB for the period from 1 July 2009 to 30 June 2010. The full amount has been assessed on Member States. Expenditures for the period totalled $57,931,200 gross ($53,564,300 net), resulting in an unencumbered balance of $22,900 gross ($581,200 net), which represents, in gross terms, full expenditure of the total appropriation.

7. The overall budget implementation rate of 100 per cent reflects the effects of higher than budgeted requirements for civilian personnel, which were offset by reduced expenditures under operational costs. Higher than budgeted expenditures were incurred, inter alia, under:

(a) International staff ($1,236,600, or 12.5 per cent), owing to an actual average vacancy rate of approximately 12 per cent, as compared to the budgeted vacancy factor of 15 per cent;

(b) National staff ($401,700, or 2.9 per cent), owing to increases in national salary rates as well as an actual average vacancy rate of approximately 7 per cent compared to a budgeted vacancy factor of 10 per cent.

8. As indicated in the performance report (A/65/642), expenditures under operational costs were reprioritized to cover the higher requirements for international and national staff, and $1.6 million was redeployed from operational costs to civilian personnel costs. The reductions were applied to the following object classes:

(a) Consultants ($297,900, or 44.8 per cent), as a result of the cancellation of consultancy projects for the Communications and Information Technology Service;

(b) Official travel ($251,100, or 23.2 per cent), attributable to a reduction in staff travel resulting from the relocation of Integrated Training Service staff from UNLB to Headquarters, as well as cancellation of certain carrier survey visits, carrier assessment trips and aircraft inspections;

(c) Ground transportation ($199,400, or 22.0 per cent), owing mainly to reduced requirements for spare parts for strategic deployment stock vehicles as fewer vehicles were shipped to field missions; lower insurance premium payments; and lower actual price of fuel as compared to the budgeted price;

(d) Communications ($254,700, or 3.8 per cent), attributable mainly to the lower entitlements paid to communications contractors following the reduction in the daily subsistence allowance rate for Brindisi, as well as a reduced share of transponder charges;

(e) Information technology ($236,800, or 3.0 per cent), attributable largely to the lower entitlements paid to communications contractors following the reduction of the daily subsistence allowance rate for Brindisi, as well as lower equipment maintenance costs;

(f) Medical ($80,800, or 20.3 per cent), owing to reduced requirements for medicine and medical consumables resulting from the delayed completion of the bidding process for a new contract;

(g) Other supplies, services and equipment ($224,500, or 6.7 per cent), attributable primarily to the deferral of various miscellaneous services owing to the need to prioritize use of resources to cover higher requirements for international and national staff costs, as well as, inter alia, reduced requirements for freight services and training because of fewer training sessions held by the Integrated Training Service.

9. A summary of budget implementation during the period is contained in paragraphs 9 to 11 of the Secretary-General's performance report (A/65/642), with information on the key achievements of the Logistics Support Service and the Communications and Information Technology Service. The Secretary-General indicates that the Logistics Base security plan was finalized, in accordance with the policy of the Department of Safety and Security of the Secretariat and that progress was made towards the establishment of the secondary active telecommunications

and data centre site for peacekeeping activities in Valencia, Spain. The consolidation of storage infrastructure allowed a reduction in power consumption by $30,000 a year, as well as savings in hardware maintenance costs of $700,000 per year, projected for the subsequent four years. Further details on actual accomplishments against their planned targets for the period are contained under the results-based-budgeting frameworks in section II.D of the Secretary-General's performance report (A/65/642).

10. With regard to the tenant units, in paragraphs 12 and 13 of the performance report, the Secretary-General provides information on the activities and support provided by the Strategic Air Operations Centre, the Geographic Information System Centre and the Engineering Standards and Design Centre. The Advisory Committee's observations and recommendation on the activities of the Strategic Air Operations Centre are contained in its general report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/65/743, sect. III.A). The Committee notes that the Geographic Information System Centre provided support in a variety of areas to the United Nations Assistance Mission in Afghanistan (UNAMA), the African Union-United Nations Hybrid Operation in Darfur (UNAMID), the United Nations Stabilization Mission in Haiti (MINUSTAH), the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the United Nations Mission for the Referendum in Western Sahara (MINURSO). The Engineering Standards and Design Centre provided, inter alia, help desk services; on-the-ground support for large engineering projects in the United Nations Support Office for the African Union Mission in Somalia (UNSOA), MONUC and MINUSTAH; an online standards library; and standardized templates and standardized engineering design packages for common facilities and installations in field missions. The Centre also provided support to the Department of Field Support in the development of new systems contracts.

11. The Committee notes the efforts made to improve the presentation of the results-based framework and to provide more detailed explanations on variances between planned targets and actual outputs and achievements. However, in some cases when planned targets are not met, the explanations provided remain vague and incomplete. For example, it is indicated that the Integrated Training Service provided predeployment training for 370 staff against a target of 900. The Secretary-General indicates that the significant variance is due to a reduction in the level of recruitment during the performance period. **In the Committee's view, further information could have been provided on the reasons for the lower number of recruitments, as well as on resources released as a result of the lower level of activity.** The Committee comments further on the results-based frameworks in paragraph 33 below.

12. In paragraph 29 (b) of the performance report (A/65/642), the Secretary-General requests that the General Assembly decide on the treatment of an unutilized fund balance from the 1996/97 to 2003/04 periods in the amount of $1,149,900. Upon enquiry, the Committee was informed that the amount of $1,149,900 represented cancellation of prior-period obligations and/or interest and other income from fiscal years 1997 to 2004, broken down by financial period as follows:

1997	$6,000	Other income
1998	$199,000	Interest ($22,000)
		Cancellation of obligations ($40,000)
		Other income ($137,000)
1999	$805,000	Cancellation of obligations
2000	$128,000	Cancellation of obligations
2004	$8,000	Prior-period adjustment
	$3,900	Rounding

13. However, the Secretary-General was unable to provide an explanation as to why the unutilized fund balances were not proposed to be credited to Member States in prior periods, or applied to resource requirements in subsequent periods. The Committee was informed that since 2008, in order to facilitate preparation of performance reports and credit returns to Member States, the Accounts Division had taken the initiative to provide systematically, in the context of the performance reports of active peacekeeping missions, the unencumbered balances, interest income, other miscellaneous income, prior-period adjustments and cancellation of unliquidated obligations. Accordingly the balance of $1,149,900 was being applied to the UNLB performance report for 2009/10. **The Committee requests that the Secretary-General ensure consistent application of the Financial Regulations and Rules of the United Nations.**

14. The comments of the Advisory Committee on the information contained in the performance report relating to individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2011 to 30 June 2012 in section IV below.

III. Financial position and information on performance for the current period

15. The Advisory Committee was provided with expenditure data for the period from 1 July 2010 to 30 June 2011 as at 31 March 2011 (see annex I to the present report). Current expenditure for the period, as at 31 March 2011, amounted to $48,881,902 (gross) against an apportionment of $68,170,600 (gross). For the entire financial period, current and projected expenditures amount to $67,569,440, leaving a projected unencumbered balance of $601,160. As at 14 March 2011, available cash amounted to $70,800 (including cash funds available for strategic deployment stocks), inclusive of a three-month operating reserve in the amount of $17,043.

16. The Advisory Committee was informed that, as at 31 March 2011, the human resources incumbency of UNLB for the period from 1 July 2010 to 30 June 2011 was as follows:

Category	*Authorized*[a]	*Planned*	*Encumbered*	*Vacancy rate (percentage)*
Posts				
International staff	107	88	75	29.9
National staff	252	252	242	4.0
General temporary assistance				
National staff	6	6	6	—
United Nations Volunteers	23	23	21	8.7

[a] Represents the highest authorized strength for the period.

IV. Proposed budget for the period from 1 July 2011 to 30 June 2012

A. Objective and planned results

17. As indicated in the budget document (A/65/760, paras. 6 and 7), the objective of UNLB is to ensure efficient and effective peacekeeping operations. The Logistics Base is to deliver outputs in the following functional areas: base support services; logistics services; and communications and information technology services. The Committee notes that UNLB is also responsible for the upkeep and maintenance of the premises at the United Nations Support Base at Valencia, and that the Director of the Support Base reports to the Director of UNLB. The Advisory Committee was informed that UNLB continues to provide support to special political missions in terms of services, equipment and other forms of logistical support. From paragraph 24 of the budget document, the Committee notes that the Regional Aviation Safety Office will continue to provide safety oversight for UNLB, the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Assistance Mission for Iraq (UNAMI) and the United Nations Peacekeeping Force in Cyprus (UNFICYP). From the information on partnerships and country team coordination provided in paragraphs 25 to 27 of the budget document, the Committee further notes the role played by UNLB in providing telecommunications services to other United Nations entities, as well as its collaboration with the World Food Programme (WFP), on a cost-sharing basis, in a range of areas such as aviation and medical services.

Reprofiling of UNLB as the Global Service Centre

18. Pursuant to General Assembly resolution 64/269, the Secretary-General has submitted a progress report on the implementation of the global field support strategy (A/65/643), which includes, inter alia, proposals for further expanding the role of UNLB and reprofiling it as the Global Service Centre as part of the new service delivery model. The Advisory Committee's observations and recommendations on those proposals are contained in section III.D of its general report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/65/743). The proposed budget for UNLB for the period 2011/12 (A/65/760) contains specific proposals for resources and

restructuring in relation to the reprofiling exercise; the Committee's recommendations on those proposals are provided in the paragraphs below.

19. In paragraph 9 of the budget document, the Secretary-General sets out a three-phase approach for strengthening the organizational structure of the Logistics Base to accommodate its reprofiling as the Global Service Centre. Upon enquiry, the Committee was provided with a chart showing the timeline of the reprofiling, which is attached as annex II to the present report. In the first phase, the short-term goals of UNLB are to consolidate and streamline the existing support capacities and functions in the three Services (Logistics, Communications and Information Technology and Base Support) in preparation for the future absorption of back-office functions, principally in the areas of personnel administration, finance and budget. It is also proposed to redeploy five units performing back-office functions from Headquarters to UNLB in the 2011/12 budget period (A/65/760, para. 10). The Secretary-General indicates that specialized support functions such as global connectivity, data storage, service packages and modules will also be further developed as part of the first phase. The medium-term, or second phase, will focus on improvements in the management of strategic deployment stocks, including through the introduction of centralized warehousing mechanisms aimed at maximizing utilization of space and storage. In this context, the Secretary-General has initiated a review of the management of strategic deployment stocks (see paras. 59-61 below). In the third and final phase, the reprofiling exercise will concentrate on the development of service packages and modules for supporting missions throughout their life cycle, from initial set-up to downsizing and liquidation, and in the transition to peacebuilding.

Consolidation and streamlining of existing UNLB support capabilities

20. The Secretary-General indicates that, in connection with the reprofiling of UNLB into a global service centre, a review of UNLB was undertaken to separate global activities from the self-administration of UNLB (A/65/760, para. 38). That review led to the redefinition of the three UNLB services, and the establishment of the Campus Support Section within the Base Support Service. In line with the review, the Secretary-General proposes to transform the Logistics and Communications and Information Technology Services into global service providers and to integrate all administrative and technical functions supporting UNLB activities in the Base Support Service. The key features of the Secretary-General's proposals include:

(a) Strengthening of the planning function in the Office of the Director of UNLB to improve coordination and to monitor the activities related to the reprofiling of UNLB as the Global Service Centre;

(b) In the Logistics Service, redistribution of the functions and redeployment of the 26 posts of the Engineering Section to the Office of the Director; the Supply Section, the Transport Section and the Engineering Standards and Design Centre of the Logistics Service, and the Campus Support Section of the Base Support Service;

(c) In the Base Support Service, consolidation of individual technical service units under a new Campus Support Section, dedicated to the provision of support to local clients, composed of a Facilities Management Unit, a Communications and Technical Services Unit and a Dispatch Unit;

(d) Consolidation of the stand-alone archives, mail, pouch and registry units under the Office of the Chief of the Base Support Service;

(e) Centralization of the budget management process under the Office of the Chief of the Base Support Service.

The Secretary-General states that the consolidation and merging of several units and functions is intended to improve the coordination of activities between different units and increase the utilization of consolidated resources. **The Advisory Committee recommends approval of the Secretary-General's approach, which should facilitate the reprofiling of the Logistics Base as the Global Service Centre. Its comments on specific proposals for conversion, redeployment, reassignment and establishment of posts and positions are contained in paragraphs 39 to 48 below.**

21. **The Advisory Committee considers that the consolidation and streamlining of structures make this an opportune time for reviewing administrative processes, eliminating inefficient and duplicative procedures and improving methods of work. The Committee expects that efficient and effective procedures and processes will lead to economies in requirements for human and financial resources.**

Redeployment of functions from Headquarters to the Logistics Base

22. In paragraph 10 of the budget document (A/65/760), the Secretary-General proposes the redeployment of five units and their functions from Headquarters to UNLB in the 2011/12 period:

(a) The information and communications technology asset management functions related to technical strategic deployment stocks would be relocated from the Information and Communications Technology Division at Headquarters to the Assets Management Section of the Communications and Information Technology Service at UNLB, with a view to achieving greater efficiency and effectiveness in the management of the strategic deployment stocks and reducing response times to mission queries on all aspects of equipment standards and stock management and rotation (see paras. 59-61 below);

(b) The function for supporting field finance systems would be relocated from the Field Budget and Finance Division at Headquarters to the Office of the Chief of the Communications and Information Technology Service at UNLB, to enhance support for field finance systems such as SunSystems and Progen Payroll;

(c) The education grant processing functions would be relocated from the Field Personnel Division at Headquarters to the Field Central Review Board in the Office of the Director of UNLB, to improve delivery of service through closer proximity to field personnel. The Committee notes that this function is also performed at the Regional Service Centre at Entebbe for the missions it serves (UNAMID, the United Nations Mission in the Sudan (UNMIS), the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), UNSOA, the United Nations Office in Burundi (BNUB) and the United Nations Peacebuilding Support Office in the Central African Republic (BONUCA)), and has commented on this matter in the context of its general report on peacekeeping operations (see A/65/743);

(d) The Field Contract Management Unit would be relocated from the Specialist Support Service/Supply Section of the Logistics Support Division at Headquarters to the Office of the Director of UNLB to enhance support through closer proximity to the field missions it serves;

(e) The airfield and air terminal standards function would be relocated from the Transport and Movement Service/Air Transport Section of the Logistics Support Division at Headquarters to the Strategic Air Operations Centre at UNLB, to facilitate collaboration with relevant engineering counterparts in UNLB and field missions. The Committee has commented on this matter in the context of its general report on peacekeeping operations (A/65/743, sect. III.A).

The transfer of these units and functions would involve the redeployment of nine posts and the functions performed by one general temporary assistance position from Headquarters to UNLB, along with the associated non-post costs. The specific posts and positions proposed for redeployment are provided in paragraph 40 below. **The Advisory Committee does not object to the proposed transfer of the five functions from Headquarters to the Global Service Centre.**

23. In paragraphs 158 to 169 of its general report on peacekeeping operations (A/65/743), the Advisory Committee commented on the Secretary-General's proposals for the reprofiling of UNLB as the Global Service Centre, the process mapping exercise and the methodology used for identifying suitable functions for transfer from Headquarters to the Global Service Centre. The Committee expressed its view that the Secretary-General's proposals did not fully address the issues raised by the General Assembly in paragraph 15 of part VI of its resolution 64/269. It recommended that the Secretary-General be requested to elaborate on his proposals for the transfer of further functions to the Centre on the basis of a more complete analysis.

24. The Committee highlighted the need to provide the General Assembly with a better understanding of the new service delivery model envisaged and the operational role that could be played by the Global Service Centre, as well as its relationship with Headquarters (A/65/743, para. 163). In this connection, the Committee recalls the emphasis placed by the General Assembly on the central role of Headquarters in strategic policymaking and oversight of relevant rules, regulations and procedures (see General Assembly resolution 64/269, part VI, para. 4). The Committee specified a number of elements to be developed including a longer-term perspective on the envisaged organizational structure and lines of accountability of the Global Service Centre at the end of the reprofiling exercise, an overall estimate of the number and functions of the staff to be relocated, as well as any related start-up and infrastructure costs (A/65/743, para. 168).

25. As regards the process mapping exercise, the Advisory Committee believes that decisions on the transfer of functions should be based on an analysis that takes into account the projected associated costs and overheads, weighed against potential benefits, including savings and productivity and other qualitative gains, which would clearly demonstrate the advantage of placing certain functions at the Centre. In its general report on peacekeeping operations, the Committee also emphasized the need for clarity on the division of roles among Headquarters units, the Global Service Centre and the Regional Service Centre, as well as the establishment of well-defined criteria, in addition to closer proximity to field missions, for

determining the optimum location from which functions and services could be provided (A/65/743, para. 166).

26. The Committee reiterated the importance it attaches to providing targets, baselines and benchmarks for measuring accomplishments at the outset of the process, in order to allow an assessment as to the achievement of the desired outcomes (A/65/743, para. 164). In paragraph 33 below, the Committee has commented on the need to reflect the five functions proposed for transferral from Headquarters to the Global Service Centre in the results-based frameworks, in the context of the next performance report and budget submission of UNLB.

27. **The Advisory Committee notes that the new service delivery model is to be implemented progressively over a five-year period. While noting that UNLB is already carrying out some functions that do not strictly fall into the category of logistics, such as communications, training, air support and security (A/65/743, para. 159), the Committee believes that organizational arrangements and working methods aligned with the new service delivery model still need to be clarified. It therefore recommends that lessons learned from the transfer of the five functions in the first phase should be applied to further refining the process mapping methodology and making suitable adjustments, as required, when proposing the transfer of further functions from Headquarters to the Global Service Centre. The Advisory Committee looks forward to receiving an assessment of this first phase in the context of the Secretary-General's next progress report on the implementation of the global field support strategy.**

Tenant units

28. As indicated in paragraph 61 of the budget document (A/65/760), the Strategic Air Operations Centre, the Geographic Information System Centre and the Engineering Standards and Design Centre were established as tenant units at UNLB in October 2007, while the resource requirements for these backstopping functions continued to be presented under the support account. Subsequently, effective 1 July 2010, the three tenant units were amalgamated as sections under the UNLB Logistics Service, reporting to the Director of UNLB, while receiving strategic guidance from their respective parent offices at Headquarters. The resource requirements for the three units were also moved from the budget of the support account to the budget of UNLB. In its last general report on peacekeeping operations (A/64/660, para. 26), the Committee expressed concern that the presentation of budgetary proposals for those units under the UNLB budget did not provide a clear picture of the totality of resources dedicated to a particular function or business process, and furthermore, that such arrangements complicated reporting lines. The Committee requested the Secretary-General to consider presenting a consolidated resource request for all support functions irrespective of their physical location in order to facilitate evaluation of the totality of resources dedicated to those functions.

29. The tenant units currently located at UNLB include the Integrated Training Service, the Standing Police Capacity and the Standing Justice and Corrections Capacity. The Committee notes that the proposed budget for UNLB for 2011/12 no longer includes a provision for the requirements of these tenant units. Upon enquiry, the Committee was informed that, in response to the above-mentioned observations (A/64/660, para. 26), the Secretary-General was submitting, under the proposed

budget for the support account for 2011/12, the budgetary requirements for these three tenant units, comprising 52 posts or positions and related non-post resources. However, the tenant units, with their 52 posts, would continue to be located at UNLB and would continue to report to their parent offices at Headquarters, in the Department of Peacekeeping Operations and the Department of Field Support. **The Committee emphasizes that such changes in the presentation of the budget should be more fully explained so as to ensure transparency and facilitate consideration of budgetary proposals.**

30. **Furthermore, in the Committee's view, the question of the presentation of resource requirements for backstopping functions should be addressed comprehensively. The Committee points out that, as the reprofiling of UNLB as a global service centre progresses and additional functions and resources are transferred from Headquarters, the role of the Global Service Centre in backstopping peacekeeping operations will become more prominent. With separate budget submissions for the peacekeeping support account and UNLB, the Advisory Committee considers that the presentation of support costs could also become increasingly fragmented as the Global Service Centre evolves.** The Advisory Committee addresses this issue in the context of its report on the support account for 2011/12 and its general report on peacekeeping operations (see A/65/743 and A/65/827).

Modularization and service packages

31. The Secretary-General provides an update on the development of modularized service packages in the progress report on the implementation of the global field support strategy (A/65/643). The first phase involves the design of a 200-person camp to be configured using existing strategic deployment stocks. The Committee was informed that a prototype of the first module, the 200-person camp, was demonstrated to representatives of the Special Committee on Peacekeeping Operations in Brindisi in April 2011. The Committee's observations and recommendations on the modularization pillar are contained in its general report on peacekeeping operations (A/65/743, sect. III.D).

Multi-year projects

32. From paragraph 84 of the budget document (A/65/760), the Committee notes the completion during 2010/11 of key multi-year projects, including construction of the Communications and Information Technology Service Satellite Farm Building B, the electrical system at UNLB and the access control and closed-circuit television system for the Support Base at Valencia. The Committee was informed that in addition to the completion of these projects, a reduced requirement for alteration and renovation services is expected during the 2011/12 budget period owing to various refurbishments, replacements and renovations which took place during 2010/11, for which resources are not required.

Results-based framework

33. The Committee notes that expected accomplishment 1.1 (see A/65/760, sect. I.E) has been reformulated as increased efficiency and effectiveness of support provided by the UNLB to peacekeeping operations and other field missions, reflecting more accurately the range of functions and support provided by UNLB.

As indicated in paragraph 11 above, while recognizing the effort made to enhance the results-based framework, the Committee considers that the presentation of the framework does not reflect the full scope of UNLB support provided to field missions and other entities. **Furthermore, as the reprofiling of UNLB as the Global Service Centre progresses and the additional functions are transferred from Headquarters, the results-based framework will be an essential tool for assessing progress and measuring the performance of those new functions. The Committee trusts that the logical framework will be fully developed to reflect expected accomplishments, indicators of achievement and outputs for each of the functions to be transferred, with performance targets, baseline information and benchmarks.**

B. Resource requirements

34. The proposed budget for UNLB for the period from 1 July 2011 to 30 June 2012 amounts to $60,528,400 gross ($55,275,400 net), representing a decrease of $7,642,200 in gross terms, or 11.2 per cent, compared with the apportionment of $68,170,600 for 2010/11. The budget provides for the deployment of 73 international staff, 265 national staff and 13 temporary positions funded under general temporary assistance.

35. The variance reflects reduced requirements owing to the transfer of the budgetary requirements of the tenant units, including 52 international posts, to the budget of the support account and the completion of some multi-year information and communications technology and infrastructure projects during 2010/11, for which no resources are required in the next period. The reductions are partially offset by higher requirements for national staff, including the establishment of 3 new General Service posts, conversion of 10 temporary positions to posts, redeployment of 1 post and reassignment of 2 posts. The proposed budget also provides for lower vacancy factors as compared to the current budget.

1. Civilian personnel

Category	*Approved 2010/11*[a]	*Proposed 2011/12*[a]	*Variance*
International staff	107	73	(34)
National staff[b]	252	265	13
Temporary positions[c]	29	13	(16)

[a] Represents the highest level of authorized/proposed strength.
[b] Includes National Officers and national General Service staff.
[c] Funded under general temporary assistance.

36. The estimated requirements for civilian personnel for the 2011/12 period amount to $32,782,100, representing a decrease of $1,956,100, or 5.6 per cent, over the apportionment of $34,738,200 for 2010/11. The overall reduction is composed of (a) a decrease of $1,993,100, or 14.9 per cent, for international staff, largely owing to the proposed transfer of the budgetary requirements for the tenant units to the support account for the 2011/12 period, offset in part by the proposed establishment of 2 new P-4 posts, the proposed redeployment of 6 posts from Headquarters to UNLB and the proposed conversion of 7 general temporary assistance positions to

posts; and (b) an increase of $1,759,400, or 9.4 per cent, for national staff, primarily attributable to increased requirements for salaries and related costs for the proposed conversion of 10 temporary positions to posts, the proposed establishment of 3 General Service posts, the proposed reassignment of 2 posts and the proposed redeployment of 1 post. The increased requirements for national staff are offset in part by reduced requirements of $1,722,400, or 63.8 per cent, under general temporary assistance, owing to the proposed conversion of 16 positions, including 6 international staff positions and 10 related to national staff.

37. The proposed budget provides for lower vacancy factors for civilian personnel as compared to the current budget: 12 per cent for international staff as compared to 18 per cent for the current period; and 6 per cent for national staff as compared to 7 per cent in the current period. For national positions funded under general temporary assistance, a higher rate of 9 per cent is proposed as compared to 5 per cent in the current period (A/65/760, para. 72).

38. As indicated in paragraph 23 of the Secretary-General's report (A/65/760), pursuant to General Assembly resolution 65/248, the budget estimates for UNLB reflect the proposed conversion of one P-2 post and one Field Service post to national General Service posts. **The Committee's views and comments on the implementation of General Assembly resolution 65/248 are reflected in the context of its general report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/65/743).**

Recommendations on posts and positions

39. The Secretary-General is proposing an overall net decrease of 37 posts and positions for UNLB, comprising net decreases of 34 international posts and 16 temporary positions offset by a net increase of 13 national posts. The net decrease of 37 posts and positions would result from the proposed establishment of 5 posts, the proposed inward redeployment of 9 posts and the functions performed by one general temporary assistance position from Headquarters (see para. 22 above), and the reduction of 52 posts of the tenant units, which are budgeted under the support account for 2011/12. The Secretary-General is also proposing the reclassification of 1 post and redeployment of numerous posts and positions in relation to the consolidation and streamlining of existing UNLB support capabilities. A detailed summary of the proposed staffing changes is presented in annex III to the present report.

New posts/positions

40. Nine posts and the functions performed by one general temporary assistance position are proposed to be transferred from Headquarters to three services of UNLB (Base Support, Logistics and Communications and Information Technology) as part of the first phase of reprofiling of UNLB as a global service centre, as follows:

(a) One P-4 Strategic Deployment Stocks Telecommunications Officer post and one General Service (Other level) Information Technology Assistant post are proposed to be redeployed from the Operations Service Assets Management Section of the Information and Communications Technology Division at Headquarters to the Assets Management Section of the Communications and Information Technology Service of UNLB to perform the information and communications technology asset

management function, including providing support to the overall management of strategic deployment stocks, facilitating the coordination of activities required to ensure that strategic deployment stocks requirements are met, and interfacing with the Strategic Deployment Stocks Unit at Headquarters (A/65/760, paras. 64 and 65; see also paras. 55-61 below);

(b) One P-3 Programmer Analyst post is proposed to be redeployed from the Office of the Director of the Field System Support Unit of the Field Budget and Finance Division at Headquarters to the Office of the Chief of the Communications and Information Technology Service at UNLB to perform the functions of the Financial Systems Technical Support Unit (A/65/760, para. 63);

(c) Two General Service (Other level) posts are proposed to be redeployed and reassigned as one G-4 Recruitment Clerk post and one G-4 Travel Assistant post from the Field Personnel Division at Headquarters to the Field Central Review Board in the Office of the Director of UNLB to perform the functions of the Global Education Grant Processing Unit (A/65/760, para. 34);

(d) One P-4 Chief Contracts Management Unit post, one P-3 Contracts Management Officer post and one P-2 Contracts Management Officer post are proposed to be redeployed from the Specialist Support Supply Section of the Logistics Support Division at Headquarters to the Office of the Director of UNLB to perform the functions of the Field Contract Management Unit (A/65/760, para. 30);

(e) One P-4 Air Transport Officer post and the functions performed by one P-3 Air Transport Officer position are proposed to be redeployed from the Air Transport Section of the Logistics Support Division at Headquarters to the Strategic Air Operations Centre at UNLB to perform the airfield and air terminal standards function. The Secretary-General is also proposing to convert the P-3 Air Transport Officer position as a post (A/65/760, paras. 59 and 61 (d); see also para. 46 (c) below).

In the light of its recommendation in paragraph 22 above, the Advisory Committee recommends approval of the nine posts and the functions performed by one position proposed to be redeployed from Headquarters to UNLB.

41. In the Communications and Technical Services Unit of the Campus Support Section, the Secretary-General is proposing to establish the following two national General Service posts:

(a) One Telecommunications Assistant to serve as an audio-visual technician within the UNLB Training Centre (A/65/760, para. 50);

(b) One Information Technology Assistant serving as Lotus Notes administrator to deal with the additional workload related to the increase in the number of e-mail accounts from 136 at the end of July 2005 to the current 550 (A/65/760, para. 51).

As the Committee was informed that the requisite capacity and skills for the functions of these positions were not available at UNLB, it will not object to the Secretary-General's proposals at this time. The Committee points out, however, that with the consolidation and streamlining of existing support capacities, the Campus Support Section will include a total of 46 General Service posts/positions. Taking into account its remarks in paragraph 21 above, the

Committee expects that this consolidation and streamlining will lead to economies in requirements for human resources in the future.

42. At the United Nations Support Base at Valencia, the Secretary-General is proposing to establish the following three posts:

(a) One P-4 Senior Information Security Officer in the Office of the Chief of the Communications and Information Technology Service to manage and operate the information security management system to ensure continuous provision of all mission critical services provided by the Support Base (A/65/760, paras. 66 and 67);

(b) One national General Service Programme Assistant post in the Office of the Chief of the Communications and Information Technology Service to provide assistance to the Chief of the Service and the Section Chiefs in the preparation and development of their individual budgets and work programmes (A/65/760, para. 68);

(c) One P-4 senior Satellite Communications Engineer in the Satellite Engineering Support Section to support the operations and monitoring of the satellite communications network (A/65/760, para. 69).

The Advisory Committee recommends approval of the Secretary-General's proposals.

Reclassifications

43. In the Base Support Service, it is proposed to reclassify one Field Service post to a P-3 post of Chief of the Facilities Management Unit, responsible for the overall support, maintenance and management of 53 hard-walled, 26 prefabricated and 13 soft-walled buildings and outdoor space on the United Nations Logistics Base campus (A/65/760, para. 44). **The Committee does not object to the Secretary-General's proposal.**

Conversions

44. In the Base Support Service the Secretary-General is proposing the following conversions:

(a) One national General Service Administrative Assistant position in the Campus Support Section is proposed for conversion to a post owing to the continuous nature of the services provided (A/65/760, para. 53);

(b) One P-3 Human Resources Officer position and one national General Service Human Resources Clerk position in the Human Resources Section are proposed for conversion to posts owing to the continuous nature of the services provided (A/65/760, para. 54);

(c) One P-2 post is proposed for conversion to a national General Service post in the Office of the Chief of the Base Support Service in the context of the implementation of General Assembly resolution 65/248 (A/65/760, para. 36);

(d) One Field Service post is proposed for conversion to a national General Service post in the Transport Section in the context of the implementation of General Assembly resolution 65/248 (A/65/760, para. 61 (a)).

The Committee recommends approval of the Secretary-General's proposals.

45. In the Logistics Service, the Secretary-General is proposing conversion of 14 temporary positions, including 12 temporary positions in the former tenant units (Strategic Air Operations Centre, Geographic Information System Centre and Engineering Standards and Design Centre), owing to the continuous nature of the functions of those positions. As indicated above, the Centres were amalgamated under UNLB effective 1 July 2010 by the decision of the General Assembly in its resolution 64/270.

46. The proposed conversions to posts in the Logistics Service are as follows:

(a) Six positions in the Geographic Information System Centre: one P-3 Geospatial Officer, one Field Service Geospatial Systems Assistant, one national General Service Geospatial Systems Assistant, one national General Service Geospatial Information Assistant, one national General Service Terrain Analyst and one national General Service Imagery Analyst (A/65/760, para. 61 (c));

(b) Four positions in the Engineering Standards and Design Centre: one P-4 Engineering Officer, one P-3 Engineering Officer, one national General Service Engineering Assistant and one national General Service Architectural Assistant (A/65/760, para 61 (b));

(c) Two positions in the Strategic Air Operations Centre: one Field Service Air Operational Officer and one national General Service Administrative Assistant. In addition, the Secretary-General is proposing to convert the P-3 position for an Air Transport Officer whose functions are proposed to be redeployed from Headquarters to the Strategic Air Operations Centre (A/65/760, para. 61 (d); see also para. 40 (e) above);

(d) One national position for a Driver in the Transport Section (A/65/760, para. 61 (a)).

The Advisory Committee recommends approval of the Secretary-General's proposals.

Reassignment

47. In the Office of the Director of UNLB, it is proposed to establish one P-4 Planning Officer post to provide effective planning and coordination, through the reassignment of an existing P-4 Chief Engineer post from the abolished Engineering Section within the Logistics Service (A/65/760, para. 32). **The Advisory Committee recognizes the need for strengthening the planning function in the Office of the Director as the reprofiling of UNLB as the Global Service Centre progresses. Accordingly, the Committee recommends approval of the Secretary-General's proposal.**

Redeployment

48. The Secretary-General is proposing a large number of internal redeployments, mostly within the Base Support Service, in relation to the consolidation and streamlining of existing UNLB support capacities and the establishment of the Campus Support Section (see para. 20 above). **The Advisory Committee has no objection to the Secretary-General's proposals for internal redeployment.**

2. Operational costs

(United States dollars)

Apportionment 2010/11	*Proposed 2011/12*	*Variance*
33 432 400	27 746 300	(5 686 100)

49. The estimated operational costs for the period from 1 July 2011 to 30 June 2012 amount to $27,746,300 representing a decrease of $5,686,100, or 17 per cent, over the apportionment for the current period. The decrease is primarily due to reduced requirements under facilities and infrastructure ($4.6 million), communications ($468,800) and information technology ($563,900), reflecting (a) the completion of key multi-year projects (construction of Satellite Farm Building B, the electrical system at UNLB and the access control and closed-circuit television system for the Support Base at Valencia); (b) reduced requirement for alteration and renovation services as various refurbishments, replacements and renovations which took place during the 2010/11 budget period are not required in the upcoming period; (c) one-time expenditures for the acquisition of generators in 2010/11; and (d) one-time acquisition of communications and information technology equipment related to the Support Base at Valencia.

50. From the supplementary information provided to it, the Committee notes that actual expenditures in 2009/10 for the acquisition of medical equipment amounted to $208,200 against an appropriation of $25,900. The Committee was informed that the higher expenditure for medical equipment was offset by underexpenditure for medical services, owing to a change in the budget codes for medical supplies from medical services to medical equipment. **The Committee trusts that due attention is paid to ensuring consistency in the application of accounting codes and practices across the Secretariat.**

51. From the supplementary information provided to it, the Committee notes a significant increase in the provision for security services for 2011/12, which would increase from an apportionment of $144,200 during the current period to $435,700. The Committee was informed that the increase was attributable to the higher cost for security services at the Support Base at Valencia, budgeted at a rate of $35,600 per month, as compared to $11,500 per month in 2010/11, as a result of a new contract concluded through a bidding exercise that came into effect in April 2010. **The Committee is concerned by the significant level of the increase and requests the Secretary-General to review this matter. It recommends that the Secretary-General be requested to make every effort to secure more favourable terms for the provision of security services when the contract expires and is up for renewal.**

V. Other matters

A. Training

52. Upon enquiry, the Advisory Committee was informed that, during the reporting period of the performance report, the UNLB Training Centre provided 91 training courses for 1,913 local and international participants from different

missions in technical, logistical, information technology and administrative areas. The Centre provides a Web-based system for training registration, which captures participant information and is used to update an Excel database for producing a variety of training statistics. **The Advisory Committee emphasizes the importance of keeping track of training delivered to staff and other personnel.** In this connection, the Committee recalls the Secretary-General's report on human resources management reform (A/65/305), in which he indicated that the learning management system, which is a component of the talent management framework, was expected to improve planning, management, tracking and reporting of learning across the Secretariat. **The Committee recommends that efforts undertaken at UNLB with regard to recording and tracking of training activities are aligned with the above-mentioned learning development system.**

53. Pursuant to General Assembly resolution 64/269, the Secretary-General has submitted a comprehensive report on training in peacekeeping (A/65/644). The Committee makes further observations and recommendations on training matters in its general report on peacekeeping operations (A/65/743, sect. III.C).

B. Field Central Review Board

54. By its resolution 64/270, the General Assembly decided to relocate the secretariat of the Field Central Review Board from Headquarters to UNLB. The Board is located in the Office of the Director of UNLB and reports administratively to the Director of UNLB, while receiving overall guidance and substantive oversight from the Director of the Field Personnel Division of the Department of Field Support. In its previous report (A/64/660/Add.12, paras. 25-27), the Advisory Committee emphasized the need to implement the field central review board functions within the framework of organizational policy, as mandated by the Office of Human Resources Management. **The Committee reiterates that, given the large number and consequential nature of the human resources management initiatives under way, the secretariat of the Field Central Review Board in the Office of the Director of UNLB should receive close policy guidance and oversight from Headquarters.** In this connection, the Committee recalls General Assembly resolution 64/269, in which the Assembly underlined the central role of Headquarters in strategic policymaking and oversight of relevant rules, regulations and procedures (see also para. 24 above). **The Committee recommends that the Secretary-General be requested to monitor the effectiveness of the organizational arrangements in place and to report on this matter in the context of the next budget submission for UNLB.**

C. Strategic deployment stocks

Performance during the period 2009/10

55. As indicated in paragraph 28 of the performance report (A/65/642), the value of funding allotted for the period from 1 July 2009 to 30 June 2010 for strategic deployment stocks amounted to $107.3 million, comprising a fund balance of $70.2 million rolled over from the prior period, and $37.2 million of strategic deployment stocks, at replacement value, which was shipped to peacekeeping and

other missions. An amount of $41.1 million from the performance period was rolled over into the 2010/11 fund balance.

56. In its financial report and audited financial statement for the 12-month period from 1 July 2009 to 30 June 2010 (A/65/5 (Vol. II), paras. 165-168), the Board of Auditors noted occurrences of procurement by field missions of assets identical or similar to strategic deployment items that were in stock at UNLB without rotation from 1 July 2009 to 30 June 2010. The Board recommended that the Department of Field Support, in collaboration with UNLB, require that all missions take existing strategic deployment stocks into consideration in their procurement plans to reduce duplication of procurement of assets available in the strategic deployment stocks. The Department of Field Support indicated that it had distributed a policy on the sourcing of equipment and strategic deployment stock rotation to all missions in September 2009, instructing them to take existing strategic deployment stocks into consideration in their procurement plans, and had also provided additional guidance to all missions on 14 December 2010. **The Advisory Committee recommends that the Secretary-General be requested to closely monitor the application of the policy on the sourcing of equipment and strategic deployment stock rotation.**

57. In section C of the budget document (A/65/760), the Secretary-General provides an update on the implementation of earlier recommendations issued by the Board concerning strategic deployment stocks (A/64/5 (Vol. II)). The Secretary-General indicates that UNLB has implemented the Board's recommendations on (a) strengthening monitoring in respect of slow-moving strategic deployment stocks; and (b) issuance of strategic deployment items on a first-in, first-out basis to avoid possible deterioration and obsolescence of stocks. As regards the Board's recommendation on the establishment of a monitoring mechanism to prevent strategic deployment stocks from being held beyond their life expectancy, the Secretary-General indicates that the ageing of strategic deployment stocks is continuously monitored by the Logistics Support Division and UNLB and that the stocks are rotated as necessary with a view towards ensuring minimum ageing and optimal utilization. **The Advisory Committee expects the Secretary-General to ensure strict compliance with policies and procedures regarding the management and utilization of strategic deployment stocks, and to report on this matter in the context of the next performance report.**

Utilization of strategic deployment stocks

58. The Advisory Committee requested additional information on past patterns of use of strategic deployment stocks at different phases of the life cycle of field missions. The Committee was informed that, since the endorsement of the concept and implementation of strategic deployment stocks by the General Assembly in its resolution 56/292 of 27 June 2002, strategic deployment stocks valued at $393,274,829 had been shipped to 35 peacekeeping and special political missions. Table 1 below provides a list of missions and the value of strategic deployment stocks provided. As regards start-up missions, the Committee was informed that strategic deployment stocks valued at $232,632,063 had been provided to nine missions, as shown in table 2 below.

Table 1
Value of strategic deployment stocks shipped to field missions as at 28 February 2011

Mission	*Value (United States dollars)*
United Nations Mission in the Sudan/Joint Inspection Unit/United Nations Advance Mission in the Sudan	70 642 755
United Nations Mission in the Central African Republic and Chad/Détachement intégré de sécurité	51 895 058
United Nations Stabilization Mission in Haiti	51 820 692
African Union-United Nations Hybrid Operation in Darfur	51 033 644
United Nations Mission in Liberia	42 576 054
United Nations Mission in Côte d'Ivoire/United Nations Operation in Côte d'Ivoire	24 197 619
United Nations Interim Force in Lebanon	19 628 989
United Nations Support Office for the African Union Mission in Somalia	19 384 814
United Nations Operation in Burundi	15 519 134
United Nations Organization Mission in the Democratic Republic of the Congo/United Nations Organization Stabilization Mission in the Democratic Republic of the Congo	9 723 837
United Nations Assistance Mission for Iraq/Office of the Special Representative of the Secretary-General	9 326 659
United Nations Mission in Nepal	7 954 335
United Nations Integrated Mission in Timor-Leste	6 767 169
United Nations Assistance Mission in Afghanistan	2 954 919
United Nations Peacebuilding Support Office in Guinea-Bissau/United Nations Integrated Peacebuilding Office in Guinea-Bissau	1 972 727
United Nations Interim Administration Mission in Kosovo	1 068 243
United Nations Mission in Sierra Leone/United Nations Integrated Office in Sierra Leone	1 032 261
United Nations Disengagement Observer Force	1 020 148
United Nations Monitoring, Verification and Inspection Commission	893 530
International Independent Investigation Commission	696 988
United Nations Regional Centre for Preventive Diplomacy in Central Asia	440 956
United Nations Logistics Base at Brindisi, Italy	402 175
United Nations Peacebuilding Support Office in the Central African Republic	386 559
Office of the United Nations Special Coordinator for Lebanon/Office of the Personal Representative of the Secretary-General	281 861
United Nations Mission for the Referendum in Western Sahara	270 763
United Nations Office for West Africa	206 346
Office of the Special Envoy of the Secretary-General for the future status process of Kosovo	176 120
United Nations Integrated Peacebuilding Office in the Central African Republic	155 496
Department of Safety and Security	144 605
United Nations Office for the Coordination of Humanitarian and Economic Assistance Programmes Relating to Afghanistan	133 620
United Nations Military Observer Group in India and Pakistan	117 229
United Nations Peacekeeping Force in Cyprus	97 670

Mission	Value (United States dollars)
United Nations Office in Timor-Leste	89 150
United Nations Truce Supervision Organization	82 584
United Nations Political Office for Somalia	81 385
United Nations Relief and Works Agency for Palestine Refugees in the Near East	30 565
Office of the United Nations High Commissioner for Human Rights	20 140
Economic and Social Commission for Western Asia	15 657
United Nations Integrated Peacebuilding Office in Sierra Leone	15 241
Office for the Coordination of Humanitarian Affairs	9 368
World Food Programme[a]	5 249
United Nations Iraq-Kuwait Observation Mission	2 400
United Nations Headquarters	114
Total	**393 274 829**

[a] The Committee was informed that two material release orders were generated by the Supply Section at Headquarters for the provision of rations to WFP for a total amount of $5,248.73. The costs were recovered in accordance with strategic deployment stocks accounting guidelines applicable for United Nations agencies and external entities: the release order is prepared and goods are released after confirmation of payment by the Accounts Division; the information is updated in Galileo; and the items are taken out of the strategic deployment stocks inventory.

Table 2
Strategic deployment stocks support to start-up missions since the inception of the programme

Mission	Date of Security Council resolution	Force strength of assumption of mandate		Value (United States dollars)
		Military	Civilian Police	
United Nations Mission in Liberia	19 September 2003	15 000	1 115	38 520 994
United Nations Operation in Côte d'Ivoire	4 April 2004	6 240	350	16 920 331
United Nations Stabilization Mission in Haiti	30 April 2004	6 700	1 622	8 404 994
United Nations Mission in the Sudan	24 March 2005	10 000	715	42 343 473
United Nations Interim Force in Lebanon	11 August 2006	15 000		14 649 923
United Nations Integrated Mission in Timor-Leste	25 August 2006	34	1 608	6 299 578
African Union-United Nations Hybrid Operation in Darfur	31 July 2007	19 555	6 432	48 227 409
United Nations Mission in the Central African Republic and Chad	25 September 2007	34	300	29 445 250
United Nations Stabilization Mission in Haiti	1 March 2010	6 700	1 622	27 820 111
Total				**232 632 063**

Strategic deployment stocks review

59. In paragraph 9 (b) of the budget document (A/65/760), the Secretary-General indicates that the medium-term objectives of phase II of the reprofiling of UNLB as

a global service centre focus on improvements in the management of strategic deployment stocks. A review of the management of strategic deployment stocks has been initiated, covering issues such as the efficacy and cost of retaining large quantities of stocks, the rescaling and resizing of strategic deployment stocks, maximization of the utilization of space and storage and the concept of centralized and vendor-managed warehousing. The review will also cover the operations and activities related to strategic deployment stocks and determine how to reconfigure, rescale and resize the stocks to ensure more rapid and leaner capability for mission start-up. The rescaling and resizing of strategic deployment stocks will contribute to the implementation of centralized warehousing. The Secretary-General indicates that the transition from existing arrangements is expected to take upwards of three years and will require staff training and the introduction of new and relevant procedures.

60. Upon enquiry, the Committee was informed that the review is being conducted by the Logistics Support Division of the Department of Field Support and UNLB in cooperation with the global field support strategy implementation coordination team. It will cover an assessment of the efficacy and modalities of current strategic, operational and tactical policies, procedures and practices. The findings and conclusions of the review will serve to better align strategic deployment stocks operations and support to field missions and improve inventory management and control. The modularization pillar will be the primary driving factor in reshaping the composition of strategic deployment stocks, as modularized service packages for rapid deployment of turnkey solutions are designed and introduced. Such solutions will require improved acquisitions planning for the requisite materials, supplies, equipment and enabling capacity.

61. The Advisory Committee was informed that vendor-based warehousing is a supply chain concept under which suppliers of goods maintain stocks on behalf of customers, based on agreements between the customer and the vendor on the sharing of inventory data and on the safety level of stocks to be maintained to meet customers' requirements. In the centralized warehousing approach goods are stored in one location and managed by class and group of products rather than by cost centre or ownership. For example, all water pipes and electrical cables, or all stores requiring cooling and dehumidification would be stored in one location. The advantages of such approaches include reduced requirements for storage space and better utilization of warehousing personnel.

62. **The Advisory Committee has consistently pointed to the need for efficient management and deployment of strategic deployment stocks. The Board of Auditors has also, over the years, identified numerous deficiencies and weaknesses in this area and made recommendations for improvement. The Committee urges the Secretary-General to ensure that the solutions envisaged address those weaknesses and promote improved efficiency and effectiveness in the management of strategic deployment stocks. The Committee recommends that the Secretary-General be requested to provide, in the context of the next budget submission of UNLB, details on the findings and conclusions of the review of strategic deployment stocks, including with regard to the composition, space and storage requirements of strategic deployment stocks, the development of modularized service packages, and delivery of services to field missions. The Secretary-General should also be requested to provide a comprehensive proposal for the efficient and effective management of strategic**

deployment stocks, with a timeline and benchmarks for measuring progress. Information on the role of Headquarters in the control and oversight of strategic deployment stocks should also be provided.

D. Recommendations of the Board of Auditors

63. In its financial report and audited financial statement for the 12-month period from 1 July 2009 to 30 June 2010 (A/65/5 (Vol. II)), the Board of Auditors raised issues concerning UNLB in the following areas: (a) formulation of specific or measurable indicators of achievement in the results-based budgeting frameworks (para. 82); (b) segregation of duties related to approving, issuing and receiving assets (para. 133); (c) delays in the write-off and disposal of assets (para. 137); (d) maintenance of surplus stock levels and the lack of clear-cut benchmarks for declaring overstock assets as surplus (para. 145); and (e) deficiencies in stock management, with 10 categories of assets, valued at $1.13 million, having been in stock for a considerable period, some of which had exceeded their life expectancy (para. 146).

64. The Advisory Committee notes the responses provided by the Administration in the report. It was also informed that UNLB had taken measures to address the issues raised with respect to the formulation of specific and measurable indicators of achievement, the segregation of duties for approving, issuing and receiving assets, and delays in the write-off and disposal of assets. Regarding the issue of overstocks, UNLB indicated that requirements for authorized stocks could vary by mission and that appropriate stock ratios for all categories of property based on mission-specific circumstances would be established. UNLB further indicated that the 10 categories of assets having been in stock for a considerable period included items categorized as "critical stock" for backup of operational systems, or assets to be used for the establishment of the secondary active telecommunications and data centre site in Valencia (see para. 3 above).

VI. Conclusion

65. The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2009 to 30 June 2010 are indicated in paragraph 29 of the Secretary-General's performance report (A/65/642). The Advisory Committee recommends that:

(a) The unencumbered balance of $22,900 with respect to the period from 1 July 2009 to 30 June 2010 be credited to Member States;

(b) The other income for the period ended 30 June 2010 amounting to $2,536,300 from interest income ($2,037,200), other/miscellaneous income ($289,700) and cancellation of prior-period obligations ($209,400), and an unutilized fund balance from the 1996/97 to 2003/04 periods in the amount of $1,149,900, be credited to Member States;

(c) The General Assembly takes note of the information provided in the Secretary-General's report in connection with the strategic deployment stocks.

66. The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base for the period from 1 July 2011 to 30 June 2012 are indicated in paragraph 90 of the Secretary-General's report. The Advisory Committee recommends that the General Assembly:

(a) Approve the amount of $60,528,400 for the maintenance of UNLB for the 12-month period from 1 July 2011 to 30 June 2012;

(b) Prorate the amount in subparagraph (a) among individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 2011 to 30 June 2012.

Documentation

- **Performance report on the budget of the United Nations Logistics Base for the period from 1 July 2009 to 30 June 2010 (A/65/642)**
- **Budget for the United Nations Logistics Base for the period from 1 July 2011 to 30 June 2012 (A/65/760)**
- **Report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2010 (A/65/5 (Vol. II))**
- **General Assembly resolution 64/270 on the financing of the United Nations Logistics Base**

Annex I

Current and projected expenditures for the period from 1 July 2010 to 30 June 2011

(Thousands of United States dollars)

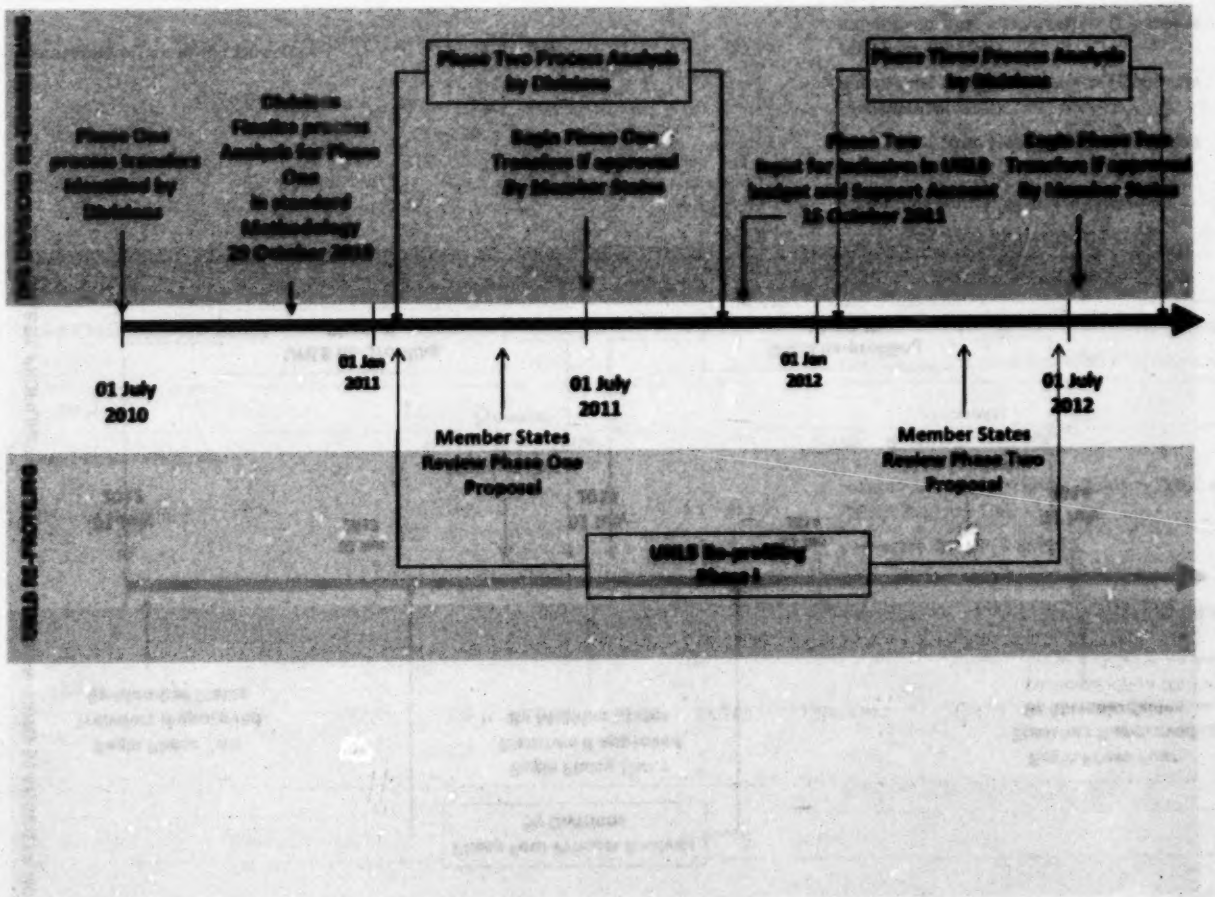
		1 July 2010 to 31 March 2011		Projected 1 April to 30 June 2011				
	Apportionment	Total expenditure	Unencumbered balance	Projection	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2011	Variance (percentage)	Reasons for variance
	(1)	(2)	(3) = (1)-(2)	(4)	(5) = (2)+(4)	(6) = (1)-(5)	(7) = (6)÷(1)	
I. Civilian personnel								
International staff	13 350 600	9 997 662.0	3 352 938	4 830 412	14 828 074	(1 477 474)	(11.1)	Mainly attributable to the lower than budgeted vacancy rate. Projected vacancy rate is 14 per cent while the budgeted vacancy rate is 18 per cent.
National staff	18 689 200	11 995 914.0	6 693 286	5 065 567	17 061 481	1 627 720	8.7	Mainly attributable to the positive impact of exchange rate during the first seven months of the reporting period. The budgeted exchange rate for National Staff salaries is 0.7 euros per United States dollar while the actual average exchange rate is 0.758 euros per United States dollar.
General temporary assistance	2 698 400	1 919 932.0	778 468	550 563	2 470 495	227 905	8.4	Mainly attributable to the positive impact of exchange rate during the first seven months of the reporting period. The budgeted exchange rate for National Staff salaries is 0.7 euros per United States dollar while the actual average exchange rate is 0.758 euros per United States dollar.
Subtotal	**34 738 200**	**23 913 508**	**10 824 692**	**10 446 542**	**34 360 050**	**378 150**	**1.1**	

	1 July 2010 to 31 March 2011			Projected 1 April to 30 June 2011				
	Apportionment	Total expenditure	Unencumbered balance	Projection	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2011	Variance (percentage)	
	(1)	(2)	(3) = (1)-(2)	(4)	(5) = (2)+(4)	(6) = (1)-(5)	(7) = (6)÷(1)	Reasons for variance
II. Operational costs								
Consultants	699 100	511 042	188 058	288 124	799 166	(100 066)	(14.3)	Mainly attributable to UNLB participation in the Field Personnel Division expert panels programme and the human resources management e-learning certification programme in the amount of $100,000, which was not budgeted.
Official travel	1 075 900	612 779	463 121	413 593	1 026 372	49 528	4.6	
Facilities and infrastructure	13 061 300	9 089 279	3 972 021	3 930 356	13 019 635	41 665	0.3	
Ground transportation	691 200	504 314	186 886	153 015	657 329	33 871	4.9	
Air transportation	—	—	—	—	—	—	—	
Naval transportation	—	—	—	—	—	—	—	
Communications	7 977 000	5 236 827	2 740 173	2 641 519	7 878 346	98 654	1.2	
Information technology	8 397 300	7 851 910	545 390	477 951	8 329 862	67 438	0.8	
Medical	297 400	170 190	127 210	120 471	290 661	6 739	2.3	
Special equipment	—	—	—	—	—	—	—	
Other supplies, services and equipment	1 233 200	992 053	241 147	215 966	1 208 019	25 181	2.0	
Quick-impact projects	—	—	—		—	—	—	
Subtotal	**33 432 400**	**24 968 394**	**8 464 006**	**8 240 996**	**33 209 390**	**223 010**	**0.7**	
Gross requirements	**68 170 600**	**48 881 902**	**19 288 698**	**18 687 538**	**67 569 440**	**601 160**	**0.9**	
Staff assessment income	5 136 500	3 840 285	1 296 215	4 018 863	7 859 148	(2 722 648)	(53.0)	
Net requirements	**63 034 100**	**45 041 617**	**17 992 483**	**14 668 675**	**59 710 292**	**3 323 808**	**5.3**	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	**68 170 600**	**48 881 902**	**19 288 698**	**18 687 538**	**67 569 440**	**601 160**	**0.9**	

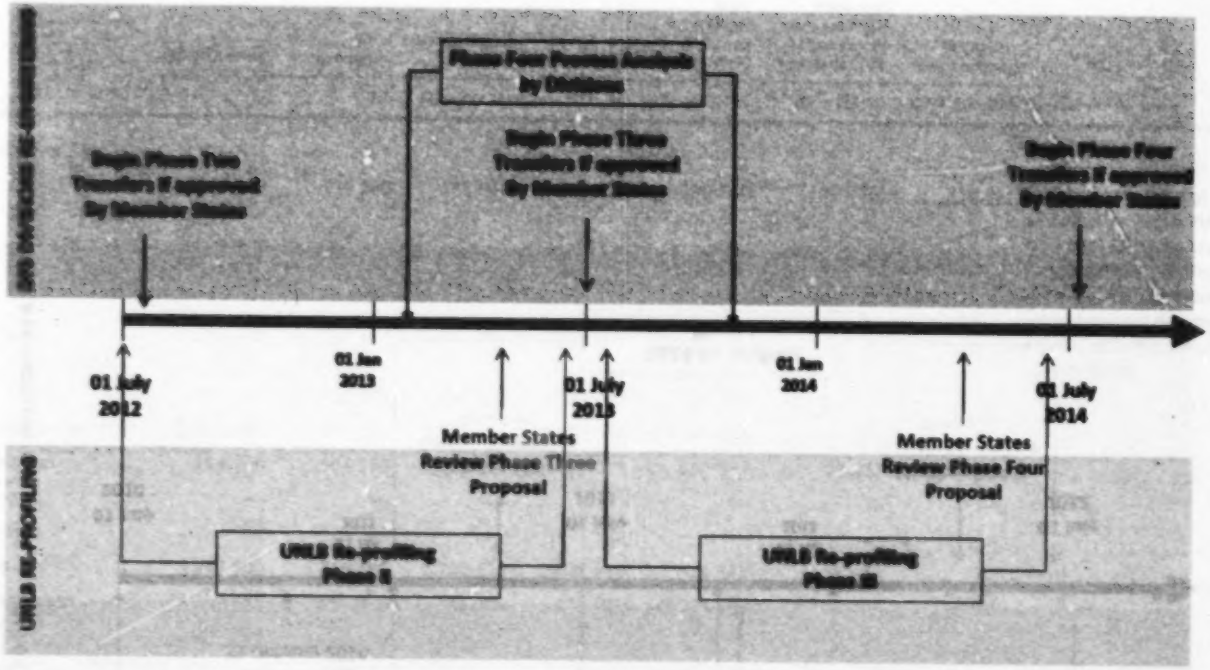
Annex II

Timeline of the reprofiling of the United Nations Logistics Base as the Global Service Centre

A. Phase I (2010-2012)


Phase Two Process Analysis by Divisions
Phase Three Process Analysis by Divisions
Phase One process transitions identified by Divisions
Divisions finalize process Analysis for Phase One in standard Methodology 29 October 2010
Begin Phase One Transitions if approved By Member States
Phase Two Input for inclusion in UNLB budget and Support Account 15 October 2011
Begin Phase Two Transitions if approved By Member States
01 July 2010
01 Jan 2011
01 July 2011
01 Jan 2012
01 July 2012
Member States Review Phase One Proposal
Member States Review Phase Two Proposal
UNLB Re-profiling Phase I

B. Phases II and III (2012-2014)


Begin Phase Two Transfers if approved by Member States
Phase Four Process Analysis by Divisions
Begin Phase Three Transfers if approved by Member States
Begin Phase Four Transfers if approved by Member States
01 July 2012
01 Jan 2013
01 July 2013
01 Jan 2014
01 July 2014
Member States Review Phase Three Proposal
Member States Review Phase Four Proposal
UNLB Re-profiling Phase II
UNLB Re-profiling Phase III
UNLB RE-PROFILING

Annex III

Summary of proposed staffing changes for the period from 1 July 2011 to 30 June 2012

Office/Section/Unit	*Number of staff new to UNLB*	*Level*	*Number of staff within UNLB*	*Level*	*Description*
Office of the Director					
Immediate office of the Director	+ 1	P-4			redeployed from Headquarters (Contracts Management Unit)
	+ 1	P-3			redeployed from Headquarters (Contracts Management Unit)
	+ 1	P-2			redeployed from Headquarters (Contracts Management Unit)
			+ 1	P-4	reassigned from Engineering Section
			+ 1	NGS	redeployed from Engineering Section
Subtotal	**+ 3**		**+ 2**		
Field Central Review Board	+ 1	NGS			redeployed from Headquarters (Recruitment Clerk)
	+ 1	NGS			redeployed from Headquarters (Travel Assistant)
Subtotal	**+ 2**				
Base Support Service					
Office of the Chief			+ 1	P-2	redeployed from Archives, Registry, Mail and Pouch Registry Unit
			- 1	P-2	converted from P-2 to NGS
			+ 1	NGS	converted to NGS from P-2
			+ 3	NGS	redeployed from Archives, Registry, Mail and Pouch Registry Unit
Subtotal			**+ 4**		
Archives, Registry, Mail and Pouch Registry Unit			- 1	P-2	redeployed to Base Support Service (converted to NGS)
			- 3	NGS	redeployed to Base Support Service
Subtotal			**- 4**		

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Office/Section/Unit	*Number of staff new to UNLB*	*Level*	*Number of staff within UNLB*	*Level*	*Description*
Information and communications technology/Logistics Campus Support Unit					
			- 2	FS	redeployed to Campus Support Section
			- 13	NGS	redeployed to Campus Support Section
Subtotal			**- 15**		
Facilities Management Unit			- 1	FS	redeployed to Campus Support Section
			- 24	NGS	redeployed to Campus Support Section
			-1	NGS/GTA	redeployed to Campus Support Section and converted to a post
Subtotal			**- 26**		
Human Resources Section			+ 1	P-3	converted from GTA
			- 1	P-3/GTA	converted to a post
			+ 1	NGS	converted from GTA
			- 1	NGS/GTA	converted to a post
Subtotal			—		
Campus Support Section	+ 1	NGS			Audio-visual Technician
	+ 1	NGS			Lotus Notes Assistant
	+ 2		+ 1	FS	redeployed from Facilities Management Unit
			+ 2	FS	redeployed from Information and Communications Technology/Logistics Campus Support Unit
			+ 24	NGS	redeployed from Facilities Management Unit
			+ 13	NGS	redeployed from Information and Communications Technology/Logistics Campus Support Unit
			+ 6	NGS	redeployed from Engineering Section
			+ 1	NGS	redeployed from Facilities Management Unit and converted from GTA
Subtotal	**+ 4**		**+ 47**		
Logistics Service					
Engineering Section			- 1	P-4	reassigned to immediate office of the Director
			- 1	P-3	redeployed to Engineering Standards and Design Centre

Office/Section/Unit	Number of staff new to UNLB	Level	Number of staff within UNLB	Level	Description
			- 1	FS	redeployed to Transport Section
			- 1	NGS	redeployed to immediate office of the Director
			- 7	NGS	redeployed to Transport Section
			- 6	NGS	redeployed to Supply Section
			- 4	NGS	redeployed to Engineering Standards and Design Centre
			- 6	NGS	redeployed to Campus Support Section
Subtotal			**- 27**		
Transport Section			+ 1	FS	redeployed from Engineering Section
			+ 7	NGS	redeployed from Engineering Section
			- 1	FS	converted from FS to NGS (harmonization)
			+ 1	NGS	converted from FS to NGS (harmonization)
			- 1	NGS/GTA	converted to a post
			+ 1	NGS	converted from GTA
Subtotal			**+ 8**		
Supply Section			+ 6	NGS	redeployed from Engineering Section
Subtotal			**+ 6**		
Engineering Standards and Design Centre			+ 1	P-3	redeployed from Engineering Section
			+ 4	NGS	redeployed from Engineering Section
			+ 1	P-4	converted from GTA
			+ 1	P-3	converted from GTA
			+ 2	NGS	converted from GTA
			- 1	P-4/GTA	converted to a post
			- 1	P-3/GTA	converted to a post
			- 2	NGS/GTA	converted to a post
Subtotal			**+ 5**		
Geographic Information System Centre			+ 1	P-3	converted from GTA
			+ 1	FS	converted from GTA
			- 1	P-3/GTA	converted to a post

Office/Section/Unit	*Number of staff new to UNLB*	*Level*	*Number of staff within UNLB*	*Level*	*Description*
			- 1	FS/GTA	converted to a post
			+ 4	NGS	converted from GTA
			- 4	NGS/GTA	converted to a post
Subtotal			—		
Strategic Air Operations Centre	+ 1	P-4			redeployed from Headquarters (Air Fields Management)
	+ 1	P-3			redeployed from Headquarters and converted from GTA (Air Fields Management)
			+ 1	FS	converted from GTA
			+ 1	NGS	converted from GTA
			- 1	FS/GTA	converted to a post
			- 1	NGS/GTA	converted to a post
Subtotal	**+2**		—		
Communication and Information Technology Service					
Brindisi	+ 1	P-4			redeployed from Headquarters (Strategic Deployment Stocks Telecommunications Officer)
	+ 1	P-3			redeployed from Headquarters (Sun and Progen Systems Officer)
	+ 1	NGS			redeployed from Headquarters (Strategic Deployment Stocks Assistant)
Subtotal	**+ 3**				
Valencia	+ 1	P-4			Senior Satellite Officer
	+ 1	P-3			Senior Communications Engineer
	+ 1	NGS			Programme Assistant
Subtotal	**+ 3**				
Tenants					
Standing Police Capacity			- 1	D-1	transferred to Support Account
			- 3	P-5	transferred to Support Account
			- 17	P-4	transferred to Support Account
			- 16	P-3	transferred to Support Account

Office/Section/Unit	*Number of staff new to UNLB*	*Level*	*Number of staff within UNLB*	*Level*	*Description*
			- 2	FS	transferred to Support Account
			- 2	NGS	transferred to Support Account
Subtotal			**- 41**		
Justice and Corrections Standing Capacity			- 1	P-5	transferred to Support Account
			- 2	P-4	transferred to Support Account
			- 2	P-3	transferred to Support Account
			- 1	NGS	transferred to Support Account
Subtotal			**- 6**		
Integrated Training Service			- 1	P-4	transferred to Support Account
			- 2	P-3	transferred to Support Account
			- 2	NGS	transferred to Support Account
Subtotal			**- 5**		
Total	**+ 15**		**- 52**		
International posts			- 34		
National posts			+ 13		
International GTA positions			- 6		
National GTA positions			- 10		

Abbreviations: NGS, national General Service; FS, Field Service; GTA, general temporary assistance.

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